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DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

7 CFR Part 1410

Continuation of Conservation Reserve Program, Including Transition Incentives Program

AGENCY: Commodity Credit Corporation and Farm Service Agency, USDA.

ACTION: Extension of Authorization.

SUMMARY: The Agricultural Act of 2014 (the 2014 Farm Bill) extends the authorization of the Conservation Reserve Program (CRP), a Commodity Credit Corporation (CCC) program administered by the Farm Service Agency (FSA), through September 30, 2018. This document announces to producers the continuation of CRP Continuous sign-up, with revised cropping history requirements as specified in the 2014 Farm Bill. This document also announces the opportunity for producers of certain CRP contracts to terminate the contract early (referred to as “early-outs”). The 2014 Farm Bill also continues, with modifications, the CRP Transition Incentives Program (TIP). In this document FSA also announces an opportunity for participants to extend eligible CRP contracts currently scheduled to expire on September 30, 2014, for one additional year. CRP, including TIP, will continue to be implemented under the existing regulations, except as specified in this document; this document will be followed by amendments to the applicable regulations to implement changes required by the 2014 Farm Bill after the completion of the appropriate National Environmental Policy Act (NEPA) analysis.

DATES: Effective Date: **[Insert date of publication in the FEDERAL REGISTER]**.

FOR FURTHER INFORMATION CONTACT: Beverly J. Preston; telephone: (202) 720-9563. Persons with disabilities who require alternative means for communication (Braille, large print, audiotape, etc.) should contact the USDA Target Center at (202) 720-2600 (voice and TDD).

SUPPLEMENTARY INFORMATION:

Overview

The 2014 Farm Bill (Pub. L. 113-79) authorizes the continuation of CRP, including TIP. In general, FSA will continue to implement CRP Continuous sign-up and TIP under the provisions of existing regulations, but this implementation will also include changes to the program required by the 2014 Farm Bill, such as a change in the cropping history required for eligibility. FSA, using its discretionary authority, will offer the opportunity for 1-year extensions to producers for certain existing contracts; FSA will also, as required by the 2014 Farm Bill, allow early outs for certain existing contracts. The 2014 Farm Bill reauthorized CRP through September 30, 2018.

FSA is completing the appropriate NEPA (42 U.S.C. 4321 - 4347) analysis. FSA will update regulations, software, forms, and handbooks to implement all the changes required by the 2014 Farm Bill. FSA is also updating CRP Fact Sheets and will conduct extensive outreach to ensure that producers are aware of sign-up periods and application requirements. Details of sign-up periods and additional changes to CRP will be announced in separate press releases.

CRP Continuous Sign-up

As specified in the 2014 Farm Bill and in the existing regulations, FSA offers CRP continuous sign-up for environmentally sensitive land that is devoted to high priority conservation practices. Continuous sign-up will continue as specified in the existing regulations in 7 CFR part 1410, but will reflect a change to the cropping history requirement as specified in the 2014 Farm Bill.

In general, for cropland to be eligible for enrollment in CRP a cropping history for such cropland is required. The 2014 Farm Bill requires that to be eligible for enrollment in CRP, cropland must have a cropping history or otherwise be considered planted for 4 of the 6 years preceding February 7, 2014, the date of enactment of the 2014 Farm Bill. Therefore, beginning **[Insert date of publication in the FEDERAL REGISTER]**, for cropland to be eligible for CRP continuous sign-up, the cropland must have a cropping history, or be considered to have been planted, for at least 4 years during 2008 through 2013.

TIP

TIP provides financial incentives for retired or retiring owners or operators to transition land enrolled in CRP to beginning or socially disadvantaged farmers or ranchers for the purpose of returning some or all of the land into production, using sustainable grazing or crop production methods in compliance with the required conservation plan. If approved for TIP, the retired or retiring owner or operator will receive CRP payments for an additional 2 years after the CRP contract expires.

The 2014 Farm Bill reauthorized TIP with minor administrative changes. Specifically, the 2014 Farm Bill now allows the retired or retiring owner or operator who transfers the land to a veteran farmer or rancher to be eligible for TIP. Section 2006(b) of the 2014 Farm Bill refers to the definition of “veteran farmer or rancher” in 7 U.S.C. 2279(e): a farmer or rancher who has served in the Armed Forces, as defined in 38 U.S.C. 101(10), and who either has not operated a farm or ranch, or has operated a farm or ranch for not more than 10 years. This effectively means that to be eligible for TIP, the veteran farmer or rancher must also meet the existing definition of a beginning farmer or rancher (found in 7 CFR 1410.2). Consequently, this change does not increase the pool of eligible participants in TIP.

The 2014 Farm Bill authorizes \$33 million total for fiscal years 2014 through 2018 to carry out TIP. This was an increase from the \$25 million authorized under the 2008 Farm Bill. CCC will restart TIP, subject to this funding limit, and begin an outreach effort about TIP to eligible veteran farmers and ranchers, as well as beginning and socially disadvantaged farmers and ranchers.

CRP 1-Year Extension of Existing Contracts

CRP contracts covering about 1.8 million acres of general sign-up land are scheduled to expire on September 30, 2014. No CRP general sign-up is scheduled for FY 2014. This document announces that FSA will provide an opportunity for a 1-year extension of CRP contracts scheduled to expire September 30, 2014, that were also originally enrolled under a previous CRP general sign-up and have a CRP contract length of 14 years or less. CRP participants may elect to extend the contract for all or a portion

of the land enrolled under the expiring CRP contract. CRP participants that choose to extend CRP contracts for 1 year will be required to file a CRP contract modification to extend the contract expiration. All terms and conditions of current CRP contracts will apply to the contract extension. This 1-year extension opportunity will be available from **[Insert date of publication in the FEDERAL REGISTER]**, through August 8, 2014. This extension is discretionary and is not required by the 2014 Farm Bill.

CRP Early-outs for Certain Existing CRP Contracts

Section 2006(a) of the 2014 Farm Bill requires the Secretary to offer producers the opportunity for early termination -- “early-outs” -- of certain CRP contracts during FY 2015, if those contracts have been in effect for at least 5 years. However, not all CRP contracts will be eligible for early-out even if they meet the 5 years requirement; the 2014 Farm Bill specifies that the following types of land will not be eligible for early-out:

- Filterstrips, waterways, strips adjacent to riparian areas, windbreaks, and shelterbelts;
- Land with an erodibility index of more than 15;
- Land devoted to hardwood trees;
- Wildlife habitat, duck nesting habitat, pollinator habitat, upland bird habitat buffer, wildlife food plots, State acres for wildlife enhancement, shallow water areas for wildlife, and rare and declining habitat;
- Farmable wetland and restored wetland;

- Land that contains diversions, erosion control structures, flood control structures, contour grass strips, living snow fences, salinity reducing vegetation, cross wind trap strips, and sediment retention structures;
- Land located within a federally designated wellhead protection area;
- Land that is covered by an easement under CRP;
- Land located within an average width, according to the applicable Natural Resources Conservation Service field office technical guide, of a perennial stream or permanent water body; and
- Land enrolled under the conservation reserve enhancement program.

The producer may request the early-out, and it will be effective upon approval by the FSA County Office Committee. The start and end dates for requesting the early-out will be determined by the Deputy Administrator for Farm Programs and will be announced later by a news release.

The 2014 Farm Bill did not change the following provisions for prorated rental payment, renewed enrollment, conservation requirements, and liability for contract violation:

If an early-out terminates a CRP contract before the end of the fiscal year for which a CRP rental payment is due, FSA will provide a prorated rental payment covering the portion of the fiscal year during which the CRP contract was in effect.

An early-out will not affect the ability of the owner or operator that requested the early-out to submit a subsequent bid to enroll the land that was subject to the CRP contract into CRP.

If the producer returns land that was subject to a CRP contract to production of an agricultural commodity, the conservation requirements for highly erodible land conservation and wetland conservation under 7 CFR part 12 and 16 U.S.C. Chapter 58, subchapters II and III, will apply.

The early-out does not relieve the producer of liability for a contract violation occurring before the date of the contract termination.

Environmental Review

FSA is currently analyzing discretionary changes to CRP authorized by the provisions of the 2014 Farm Bill by preparing a Supplemental Programmatic Environmental Impact Statement (SPEIS), as was announced in a separate notice in the Federal Register on November 29, 2013 (78 FR 71561-71562). However, FSA has determined, in accordance with 7 CFR 799.9(d), “Ensuring That Environmental Factors are Considered in Agency Decisionmaking,” and 40 CFR parts 1500-1508 (the NEPA implementing the regulations of the Council on Environmental Quality) that the continuation of continuous CRP, the restarting of CRP TIP, and a 1-year contract extension for certain expiring CRP contract holders consistent with the current implementing regulations, will not significantly affect the quality of the human

environment. Therefore, no environmental assessment or environmental impact statement will be prepared on these specific program provisions as specified in this document.

Signed on June 2, 2014.

Juan M. Garcia,
Executive Vice President,
Commodity Credit Corporation, and
Administrator,
Farm Service Agency.

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